



# RESPONSIBLE REAL ESTATE INVESTMENT REVIEW 2025

## MARKETING COMMUNICATION

Always consult the official documentation of the investment product before making any final investment decisions. More information about the consideration of sustainability risks and factors in investment operations is available on Mandatum's website and in product-specific documentation. Mandatum Asset Management Ltd acts as a portfolio manager for and on behalf of Mandatum Group and as an insurance agent for its sister company, Mandatum Life Insurance Company Limited. Unit-linked insurances are issued, and investment baskets are owned by Mandatum Life Insurance Company Limited.

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# INTRODUCTION

## About this review

This review lists the key performance indicators, key areas, and most impactful actions of Mandatum’s sustainability work in real estate asset management in 2025. This Responsible Real Estate Investment Review covers real estate asset management in the Mandatum Group (Mandatum plc and its subsidiaries “Mandatum” or “company”). Where separately noted, the review concerns the Finnish special investment fund Mandatum AM Finland Properties II (“Special Investment Fund Finland Properties II”), which is managed by Mandatum Asset Management Ltd’s subsidiary Mandatum AM AIFM Ltd. The investment baskets mentioned in the review are available as investments for unit-linked insurance policies. Mandatum Asset Management is the portfolio manager for the fund and investment baskets. Unit-linked insurances are issued and investment baskets are owned by Mandatum Life Insurance Company Ltd.

Mandatum’s Sustainability Review 2025, published in March 2026, provides more information on the company’s key sustainability themes, the sustainability actions taken during the year, and the results achieved. In addition to the review, the company’s sustainability is described more extensively in the Sustainability Statement, which is part of the Report of the Board of Directors and prepared in accordance with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

See the sustainability reporting for 2025 at: [mandatum.fi/en/year2025](https://mandatum.fi/en/year2025)

## This is Mandatum

Mandatum is a major financial services provider, combining expertise in asset and wealth management and life insurance. Clients include institutional investors, companies, and private individuals. Mandatum offers a broad range of services encompassing asset and wealth management, compensation and rewards, supplementary pensions, and personal risk insurance. Skilled personnel, a strong brand, and a proven investment track record are at the centre of Mandatum's success. The company has been listed on Nasdaq Helsinki since 2023.

The company's head office is located in Helsinki. In addition to Finland, Mandatum has offices in Sweden and Luxembourg. Beyond Finland, Mandatum has institutional asset management clients in other Nordic countries, especially in Sweden and in Denmark, and in Central Europe.

In total, the company has around 20,000 corporate and institutional clients and 250,000 retail clients. Mandatum has divided its business into four areas: institutional and wealth management, corporate clients, retail clients, and with-profit business.

Mandatum aims to become the fastest-growing Nordic asset and wealth manager. During this strategy period, the company's focus is on expanding the foothold of asset management internationally, accelerating the growth of private wealth management in Finland, increasing sales by leveraging excellent corporate client relationships, and improving operational efficiency.

## Foreword

The 2020s have tested the European real estate market with exceptional force, and the impact of consecutive shocks on investment prospects has been fundamental. After several years of subdued transaction activity, clear signs of recovery began to emerge during the 2025 reporting year, driven in part by the gradual stabilisation of interest rates and yield requirements. However, trading volumes remain significantly below the levels seen in the previous cycle. The recovery is widely characterised in the market as gradual rather than structural, and the dampening effects of the persistently uncertain environment have remained evident during the early part of 2026.

In an uncertain market environment, the importance of active and professional real estate management is highlighted even further. Mandatum Asset Management manages real estate assets valued at more than one billion euros in Finland and, through fund investments, elsewhere in Europe. In property management and governance, a proactive approach to sustainability measures is an essential part of Mandatum's responsible real estate investing, aimed at the long-term and sustainable value creation of its real estate assets.

The key environmental sustainability themes in the real estate sector continue to be the reduction of operational emissions, low-carbon construction,

and the protection of biodiversity. In 2025, we maintained our systemic development in these areas. We have made progress towards our carbon neutrality targets in all our direct real estate investment portfolios, and measures to improve energy efficiency have yielded concrete results. In addition, we have expanded our sustainability efforts to consider biodiversity more strongly by conducting biodiversity assessments, based on which practical measures were identified to enhance natural values.

The wellbeing of the tenants as well as the functionality and safety of the premises remained key priorities in all real estate portfolios under our management. Tenant satisfaction remained at a good level, and individual properties once again achieved excellent results in national comparisons. This reflects our long-term efforts to develop our tenant relationships and ensure the operational quality of properties.

The results of our sustainability work were also reflected in international assessments. The Special Investment Fund Finland Properties II once again achieved five stars in the Global Real Estate Sustainability Benchmark (GRESB) assessment and, along with the other real estate portfolios, earned the Green Star designation. In addition, Mandatum's direct and indirect real estate investments both earned a full five stars in the PRI assessment, which measures the implementation of the UN Principles for Responsible Investment. In international real estate fund investments, we maintained active dialogue with fund managers, thereby further developing our sustainability practices and the comprehensiveness of reporting – long-term development work that has also been recognised by our clients.

Sustainability measures have established their position as a key part of daily real estate management, risk management, and value creation. This is also the case at Mandatum, as we systematically continued our sustainability efforts across both direct and indirect real estate investments in 2025. In this Responsible Real Estate Investment Review, we present the key indicators, key areas, and most significant sustainability actions in 2025.



**Emilia Riikonen**

Head of Real Estate Investments  
Mandatum Asset Management



**Markus Nordberg**

Head of Private Real Estate  
Mandatum Asset Management

## Highlights of responsible real estate investment in 2025

- **Five stars for the Special Investment Fund Finland Properties II in the GRESB assessment.** The Special Investment Fund Finland Properties II<sup>1</sup> once again achieved five stars in the GRESB assessment and, along with the other real estate portfolios, earned the Green Star designation.

[\*Read more »\*](#)

- **Biodiversity assessments for three real estate investment properties.** The biodiversity strategy was actively advanced, and Mandatum conducted biodiversity assessments in three of its direct real estate investments in Helsinki, Järvenpää, and Turku, in Finland.

[\*Read more »\*](#)

- **First place in tenant satisfaction for the shopping centre Espen.** The shopping centre Espen in Vaasa, owned by the Special Investment Fund Finland Properties II, once again achieved the highest tenant satisfaction in Finland in KTI Finland's annual tenant satisfaction survey for shopping centres.

[\*Read more »\*](#)

- **Development in the ERE programme's GRESB reporting.** The share of external funds that submitted a GRESB report in the European Real Estate (ERE) programme<sup>1</sup> increased 15 per cent compared to the previous year, and almost all funds have already achieved the GRESB Green Star designation despite differences in their investment strategies and development phases.

[\*Read more »\*](#)

- **The share of green buildings in the MAM ERE III portfolio on the rise.** Of the assets in the MAM ERE III portfolio, 68 per cent are invested in properties classified as green buildings (portfolio-level target is at least 50 per cent). The share is expected to continue to grow as monitoring improves.

[\*Read more »\*](#)

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1) The Special Investment Fund Mandatum AM Finland Properties II and the Mandatum AM ERE III and ERE IV investment baskets comply with the sustainability disclosure obligations under SFDR Article 8. The products do not have a sustainable investment objective.

## Sustainability focus areas and figures 2025

Focus areas	Targeted timeline	Situation as of 2025	Comparison year 2024	Follow-up measures
<b>Mandatum's directly owned real estate investments<sup>1</sup></b>				
Net-zero emissions from operational energy consumption	2027	<b>Electricity:</b> Renewable wind power has been purchased for all 100% owned properties. <b>Heating:</b> All properties use renewable heating energy verified by Guarantees of Origin.	<b>Electricity:</b> Renewable wind power has been purchased for all 100% owned properties. <b>Heating:</b> All properties switched to using renewable heating energy verified by Guarantees of Origin in 2024.	Advancing carbon neutrality during property use and increasing on-site energy production. Steering real estate development, construction, and renovation towards low-carbon solutions.
GRESB rating	2025	4/5	4/5	Maintenance of star rating. Since 2020, Mandatum's investment properties have achieved four stars in the GRESB assessment of real estate sustainability and earned the Green Star designation for their sustainability work.
Reducing energy consumption by 15% from the benchmark year 2015 in line with the Energy Efficiency Agreement for Commercial Properties (TETS)	2025	15% achieved	12% achieved	Energy consumption has decreased by 15% from the benchmark year 2015 based on reporting under the TETS agreement. The agreement's 10.5% savings target and the organisation's own target of 15% have both been achieved. Constantly monitoring properties' energy consumption and investigating the causes of deviations in consumption without delay. Carrying out energy assessments and improving the energy performance rating of properties.
50% environmental certification rate	2026	65% of real estate assets certified	65.4% of real estate assets certified	In December 2025, the sale of the residential properties in the investment portfolio was agreed with a joint venture between Mandatum and Morgan Stanley Real Estate Investing. As the properties were fully certified, the certification rate of the investment portfolio decreased compared to the previous year. A certification rate of at least 50% is to be maintained in the investment portfolio during 2026 and 2027.
55% recycling rate	2025	49% (commercial properties) and 42% (residential properties)	50%	Promoting stakeholder collaboration (waste consultants and service providers, tenants, and property managers); drafting annual recycling programmes for the portfolio's properties. The real-time, operator-independent monitoring service introduced in 2025 enhances guidance, enables continuous optimisation, and supports property-specific local solutions.

1) Direct real estate investments on Mandatum Life's own balance sheet

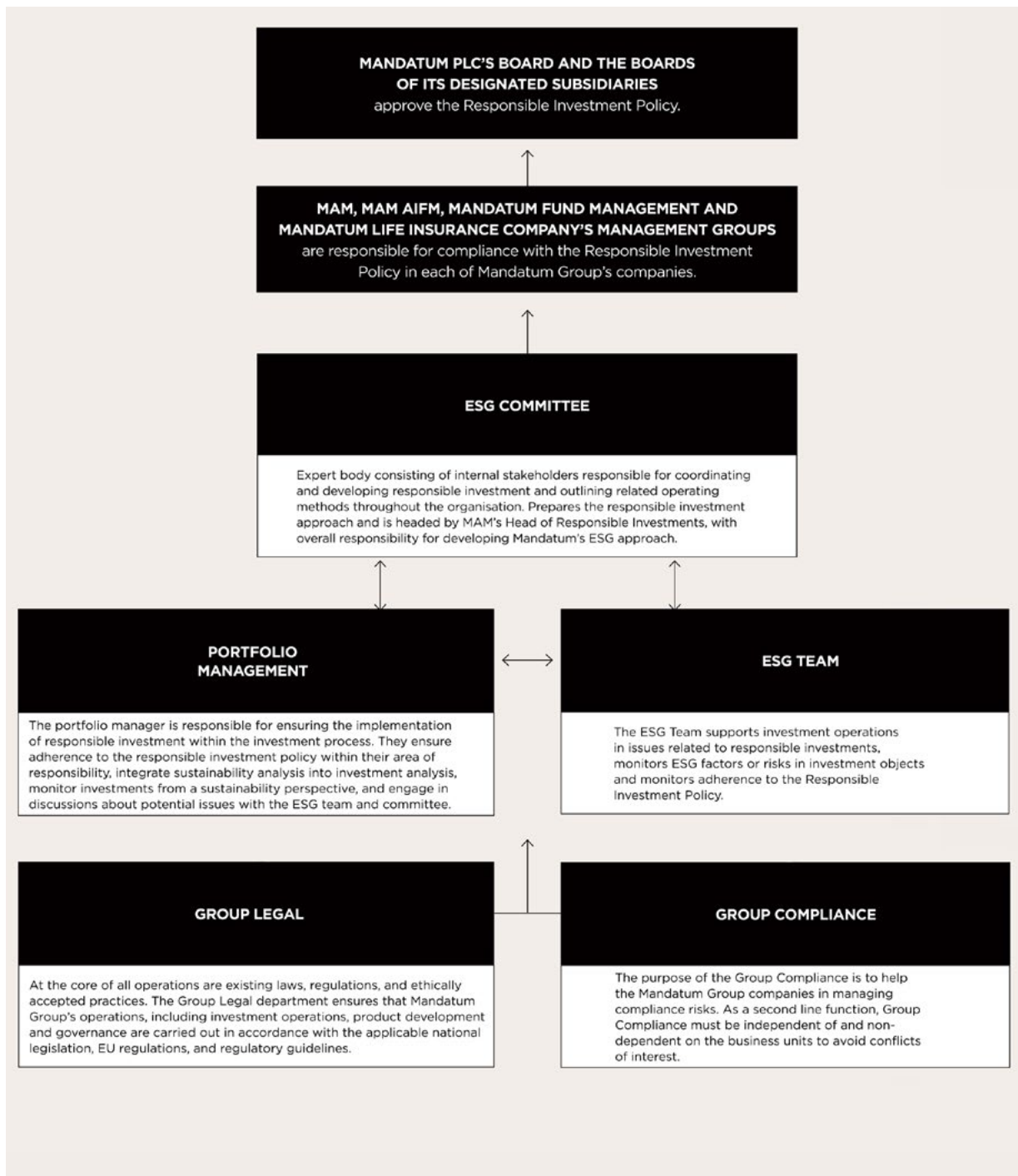
Focus areas	Targeted timeline	Situation as of 2025	Comparison year 2024	Follow-up measures
<b>Special Investment Fund Mandatum AM Finland Properties II, SFDR art. 8</b>				
Achieve net-zero emissions from operational energy consumption in line with the Net Zero Carbon Buildings commitment	2030	<b>Electricity:</b> Renewable wind power has been purchased for all 100% owned properties since 2019. <b>Heating:</b> All properties with district heating use renewable heating energy verified by Guarantees of Origin.	<b>Electricity:</b> Renewable wind power has been purchased for all 100% owned properties since 2019. <b>Heating:</b> All properties switched to using renewable heating energy verified by Guarantees of Origin in 2024.	Advancing carbon neutrality during property use and increasing on-site energy production. The Special Investment Fund Finland Properties II engages more actively with tenants in properties where energy consumption contracts are the tenant's responsibility. Steering real estate development, construction, and renovation towards low-carbon solutions.
GRESB rating	2025	5/5	5/5	The Special Investment Fund Finland Properties II achieved five stars in the 2025 GRESB assessment. The fund also once again received the Green Star designation in recognition of excellent management and sustainability work.
Reducing energy consumption by 7.5% from the benchmark year 2019 in line with the Energy Efficiency Agreement for Commercial Properties (TETS)	2025	26% achieved	20% achieved	The Special Investment Fund Finland Properties II was among the first to sign the latest TETS agreement. The new ten-year agreement period begins in 2026, and the fund is committed to reducing its energy consumption by 10% by 2035.
60% environmental certification rate	2025	74.2% of real estate assets and 68.1% of leasable area certified	62.4% of real estate assets and 52.4% of leasable area certified	Maintaining a certification rate of over 70% in 2026. For 2027, a certification rate of 75% is targeted.
55% recycling rate	2025	62%	66%	Promoting stakeholder collaboration (waste consultants and service providers, tenants, and property managers); drafting annual recycling programmes for the portfolio's properties. The real-time, operator-independent monitoring service introduced in 2025 enhances guidance, enables continuous optimisation, and supports property-specific local solutions.  In 2026, a recycling rate of at least 60% is targeted in properties where the previous 55% target has already been achieved.
Maintaining overall tenant satisfaction >4/5	2025	4.01 <sup>1</sup>	4.02 <sup>1</sup>	Annually recurring target. Applies to properties where ownership has lasted over three years.

1) Including properties with at least two comparison years

Focus areas	Targeted timeline	Situation as of 2025	Comparison year 2024	Follow-up measures
<b>MAM European Real Estate investment programme, SFDR art. 8</b>				
To invest at least 70% of the ERE IV portfolio's assets in properties which are to be made into so-called green buildings through their respective investment plans <sup>1</sup>	2024-2027	Active investment period in progress	—	—
To invest at least 50% of the ERE III portfolio's assets in properties which are to be made into so-called green buildings through their respective investment plans <sup>1</sup>	2022-2025	68%	Active investment period in progress	To improve monitoring accuracy (current coverage 67%)

1) The Mandatum AM European Real Estate IV (ERE IV) and the Mandatum AM European Real Estate III (ERE III) investment baskets comply with sustainability disclosure obligations under SFDR Article 8. A more detailed definition of green buildings is presented on page 22.

## Responsibilities and division of duties in responsible investment





# APPROACH TO RESPONSIBLE REAL ESTATE INVESTMENT

## Responsible real estate investment at Mandatum

Mandatum manages both direct real estate investments and strategies consisting of international fund investments. Both strategies seek significant emissions reductions and cost savings, as well as enhancing the quality of the portfolios, thus creating value for investors, financiers, and users of properties. Sustainability measures also improve tenant satisfaction and extend the life cycle of properties.

Mandatum's Responsible Investment Policy defines the company's responsible investment principles and is binding on the entire personnel. The policy describes the minimum level of measures to be taken to address sustainability risks and adverse sustainability impacts. Certain products may be subject to stricter principles and investor engagement procedures. The policy is reviewed and updated annually.

Mandatum has its own ESG team whose primary duty is to support the investment functions in issues related to responsible investment. Mandatum's ESG team works closely with portfolio management. The ESG team is responsible for analysing the sustainability of new investment objects in international real estate fund investments, monitoring and reporting the sustainability of existing investments, and interacting with managers in communicating future targets. The team also monitors compliance with the Responsible Investment Policy.

Read more: [Responsible Investment Policy](#)

<b>Real estate assets in figures</b>	
In real estate assets	Over EUR 1.0 billion
In Finnish investments	62%
In international investments	38%
Gross leasable area of direct properties	512,000 m <sup>2</sup>
Direct real estate portfolios	6
Carbon footprint of direct properties	0.5 tCO <sub>2</sub> e/MEUR <sup>1</sup>

1) The combined market-based Scope 1 and Scope 2 emissions in 2025 for Special Investment Fund Finland Properties II, Mandatum's direct real estate investments, and Kaleva Mutual Insurance Company's real estate investments.

### Direct real estate investments

Mandatum's real estate investment unit is responsible for direct real estate investments, which are investments in individual properties located in Finland and require active management. The strategy enables local engagement and the application of sustainability standards on a property-specific basis. The focus is on transforming the existing building stock into environmentally friendly sites, for instance, through energy efficiency investments. All direct real estate investment properties use renewable or carbon-neutral electricity. The share of renewable district heating has been increased so that only co-owned properties and sites where energy contracts are the tenant's responsibility are beyond the scope of renewable energy. Additionally, in one site, heat is primarily produced using geothermal energy, and oil heating serves as a backup system. The direct real estate investments managed by Mandatum comprise the following portfolios: Special Investment Fund Mandatum AM Finland Properties II<sup>1</sup>, the Residential I portfolio, Mandatum Life Vuokra-tontit I Ky, the real estate assets of Kaleva Mutual Insurance Company, and real estate on the balance sheets of Mandatum Group companies.

Direct real estate investment management focuses on energy efficiency, climate change mitigation, water efficiency, recycling, waste reduction, and providing healthy and safe premises. The sustainability characteristics of each property are taken into account at the time of investment, and the measures during ownership aim for significant emissions reductions, cost savings, and an increase in property value. The environmental responsibility of properties is improved through measures such as optimising water use and waste management, using renewable energy, investing in energy efficiency, and enhancing asset quality by utilising new technology and digital solutions. In addition, in development projects and renovations, opportunities to increase biodiversity and improve the natural value of the property are assessed.

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1) Special Investment Fund Mandatum AM Finland Properties II complies with the sustainability disclosure obligations under SFDR Article 8.

However, sustainability is not limited to environmental responsibility alone, but also covers a broad spectrum of measures related to social responsibility and good governance. Mandatum carries out these themes, for example, through active and open communications, training personnel, societal responsibility, and community engagement. These actions also improve tenant satisfaction and therefore increase the continuity of contracts and cash flow.

RESPONSIBLE REAL ESTATE INVESTMENT AIMS FOR BOTH  
POSITIVE IMPACTS AND COST SAVINGS

ACQUISITION PHASE

ESG is strongly integrated into the acquisition phase’s due diligence process, decision making, and business plan

Assessment and decision making

- Identification of potential
- Identification of critical issues, risks, opportunities, and investment needs

Planning

- ESG roadmap

OWNERSHIP PHASE

MANAGEMENT

An active approach to real estate management is a prerequisite for developing sustainability during the ownership period

Targets and plans

- Setting sustainability targets
- Environmental programme
- Business plan

Climate and energy

- Energy investment projects and energy management
- Electricity and district heating with Guarantees of Origin
- Increasing on-site energy production

Resource efficiency

- Optimising the recycling rate and waste utilisation rate throughout the lifecycle
- Monitoring water consumption, responding to alerts, and optimising consumption

Nature

- Biodiversity assessments, action plans, and development projects
- Taking biodiversity into consideration in maintenance

Data-driven management

- Data-driven management of energy consumption and addressing deviations
- Indoor conditions management and optimising building automation systems

Environmental certificates

- Increasing the number of environmentally certified buildings

Climate risks

- Assessing climate risks using, among others, TCFD and CRREM frameworks<sup>1</sup>

Tenants

- Active collaboration with tenants and regular tenant satisfaction surveys
- Guiding tenants towards sustainable practices
- Safe and healthy premises and developing safety
- Sustainable mobility, including bike racks and EV charging stations

ASSESSMENT  
AND REPORTING

Continuous monitoring and assessments ensure that sustainability work remains at the required level

- Monitoring of targets, sustainability indicators, and principal adverse impacts (PAI)
- Annual GRESB assessment
- UN PRI assessment
- Periodic reporting under SFDR
- Annually published Responsible Real Estate Investment Review
- Sustainability guidelines for projects and maintenance

1) Task Force on Climate-related Financial Disclosures (TCFD); Carbon Risk Real Estate Monitor (CRREM)

## Real estate fund investments

Non-domestic real estate investments are made through externally managed funds. This strategy enables diversification across different markets and regions, which is a key component of risk management tools in real estate investment. In its investments within the European Real Estate (ERE) programme, Mandatum leverages its relationships with external investment managers with strong local resources and a successful track record in real estate investments. Mandatum's approach favours closed-end real estate funds typically used by institutional investors, in which the fund manager is responsible for the strategy and investment decisions.

The managers and funds selected for the ERE programme must pass a comprehensive sustainability assessment. The assessment covers, among other things, the compatibility of the strategy with Mandatum's sustainability aspects, the integration of ESG matters in investment and risk management processes, the manager's general level of integration of ESG matters, ESG resources, governance and responsible investment policy, and the manager's membership in responsible investment organisations, such as the UN PRI and GRESB.

Mandatum publishes annual sustainability reports on the ERE investment programme. In addition, the promotion of the sustainability characteristics of products in accordance with SFDR Article 8 is disclosed in the periodic reports required by the SFDR. The sustainability report published each autumn covers topics such as current events in the ERE programme, information about the programme's ESG process, and an overview of the results of the annual ESG questionnaire sent out to managers.

In its fund-type real estate investments within the ERE programme, the company seeks to promote the manager's commitment to sustainability reporting on the properties and improve reporting on a case-by-case basis. Improvement of systematic sustainability reporting has also been defined as one of the key sustainability characteristics of the ERE programme.

The implementation and performance of sustainability characteristics in the ERE programme's investments are monitored at the level of individual investments with an extensive annual ESG questionnaire sent out to external managers. The questionnaire is also included in the due diligence process for each new investment.

**IN THE MONITORING OF EXTERNAL ASSET MANAGERS, EMPHASIS IS PLACED ON AN INTERNALLY DEVELOPED SUSTAINABILITY ASSESSMENT MODEL**

ACQUISITION PHASE	OWNERSHIP PHASE	
<p><b>ESG DUE DILIGENCE ANALYSIS</b></p> <ul style="list-style-type: none"> <li>• Comprehensive sustainability analysis before an investment decision.</li> <li>• In evaluating an external partner, key areas include commitments and re-sourcing for responsible investment, the integration of sustainability risks and factors into the investment process, as well as monitoring and reporting.</li> <li>• At the asset level, Mandatum assesses factors such as energy efficiency and environmental impacts, tenant management practices, and value-enhancing property development measures.</li> <li>• ESG is an integral part of the Investment Committee’s review, and sustainability-related requirements are also included in bilateral agreements with external asset managers.</li> </ul>	<p><b>ANNUAL ESG QUESTIONNAIRE, ANALYSIS, AND REPORTING</b></p> <ul style="list-style-type: none"> <li>• The annual questionnaire forms the basis for Mandatum’s ESG analysis, which aims to monitor and improve the sustainability practices of external asset managers.</li> <li>• The analysis applies an internal scoring methodology that enables comparison between different asset managers as well as between fund segments and size categories. The scoring supports Mandatum’s qualitative ESG analysis.</li> <li>• The questionnaire results are reported to clients and also serve as the primary source of ESG-related feedback for external asset managers.</li> </ul>	<p><b>CONTINUOUS MONITORING</b></p> <ul style="list-style-type: none"> <li>• Mandatum actively monitors the reporting, publications, and public communications of its external asset managers.</li> <li>• Continuous monitoring ensures up-to-date sustainability information and enables timely dialogue with the asset manager on sustainability matters.</li> </ul>

**Investments and the sustainability of portfolios**

**Special Investment Fund Finland Properties II**

The Special Investment Fund Finland Properties II invests in properties in the major growth centres in Finland, mainly outside the Helsinki Metropolitan Area. The majority of the properties are commercial properties, i.e. office and business premises, and the fund also owns manufacturing and warehouse properties. The portfolio comprises existing properties of different ages. The portfolio requires active and local real estate asset management, and sufficient expertise and resources. The fund promotes environmental or social characteristics and complies with the disclosure obligations under SFDR Article 8.

The Special Investment Fund Finland Properties II is committed to achieving net-zero emissions from operational energy consumption by 2030 in accordance with the Net Zero Carbon Buildings commitment. To achieve net-zero emissions, the aim is to increase the share of renewable and zero-emission district heating in buildings, optimise indoor conditions, and increase own renewable energy production at the properties. Renewable wind power has been purchased for all of the fund's wholly owned properties since 2019. The share of renewable district heating has also been increased in recent years, so that the only properties outside the Guarantees of Origin for district heating acquired by the fund are those where energy-related contracts are the responsibility of the tenant.

The fund participates in the annual GRESB assessment. In 2025, the fund achieved for the second time a full five stars and the Green Star designation in recognition of excellent management and sustainability work.

18 properties in the fund have BREEAM In-use certifications with a rating of 'Very Good', and one of the fund's properties has a construction-phase LEED "Gold" (Core & Shell) certification. The certification rate of the fund's assets under management is 74 per cent (situation as of 31 December 2025).

The fund pursued savings of 7.5 per cent in energy consumption by 2025 in accordance with the Energy Efficiency Agreement for Commercial Properties (TETS), and that target was reached already in 2022. In 2025, savings of 26 per cent were achieved compared to the benchmark year 2020.

The portfolio applies the Finnish ETJ+ energy performance management system, which complies with the requirements of the international ISO 50001 standard on energy audits.

<b>Special Investment Fund Finland Properties II</b>	
GAV as of 31 December 2025 (MEUR)	approx. 385
Number of properties	41
Leasable area (m <sup>2</sup> )	361,000
SFDR	Article 8

## Mandatum Life's real estate investments

Mandatum Asset Management manages the real estate investments of Mandatum Group companies as part of its real estate asset management. The properties in the Group's balance sheet comprise 18 residential and commercial properties and eight apartment plots, most of which are located in the Helsinki Metropolitan Area. During 2025, one commercial property and three residential properties were divested, resulting in the portfolio being reduced

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1) In December 2025, an agreement was reached to sell residential properties in the investment portfolio to a joint venture between Mandatum and Morgan Stanley Real Estate Investing. The assets under management of the sold residential properties are not included in the data communicated here.

to 14 properties.<sup>1</sup> Leasing and property management of the portfolio is outsourced to a third-party service provider.

### Operational energy completely renewable

Since 2024, Mandatum Life's investment properties use only renewable energy. Electricity used by the properties is sourced from zero-emission wind power, and district heating has been produced with a renewable rate of 100 per cent since 2023. The portfolios seek to improve the energy performance classes of buildings and increase own energy production. Energy efficiency has also been improved by replacing the existing heating systems of buildings with modern air-to-water heat pumps, resulting in lower overall energy consumption.

The energy savings target was to achieve a 15 per cent calculated reduction by the end of 2025 compared to the 2015 level. This target was achieved, and active energy management continues. The portfolios also aim for an increase in the recycling rate to 55 per cent by 2026.

Mandatum Life's real estate investment portfolio has, since 2020, achieved four stars in the GRESB assessment of real estate sustainability and earned the Green Star designation for its sustainability work.

In addition to the concrete targets described above, active energy and sustainability management is carried out at the properties. The portfolio applies the Finnish ETJ+ energy performance management system, which complies with the requirements of the international ISO 50001 standard on energy audits.

Sustainability is managed with data-driven management, and the portfolios have selected digital systems to support energy management. These are used to actively monitor energy consumption and address deviations in consumption. Building automation in the properties is managed centrally, and indoor conditions are adjusted according to users' preferences. Tenant satisfaction surveys are also conducted in the portfolios. In addition, six of Mandatum's real estate investments have BREEAM In-use certifications with a rating of 'Very Good', accounting for around 60 per cent of the total value of direct real estate investments.

<b>Mandatum Life</b>	
GAV as of 31 December 2025 (MEUR)	75.4
Number of properties	14
Leasable area (m <sup>2</sup> )	79,000

### Kaleva Mutual Insurance Company

As part of its real estate asset management, Mandatum Asset Management manages the real estate investments of its asset management client Kaleva Mutual Insurance Company. The portfolio consists mainly of commercial and

warehouse properties as well as land holdings, located in prime locations in the Helsinki Metropolitan Area. Leasing and property management of the properties are outsourced to a selected partner. Sustainability priorities have been set for the portfolio, and these are regularly monitored and updated. Since 2023, the properties' purchased operational energy has been 100 per cent renewable. The portfolio has participated in GRESB reporting since 2024. In the 2025 GRESB assessment, the portfolio achieved four stars and the Green Star designation in recognition of excellent management and sustainability work. The portfolio applies the Finnish ETJ+ energy performance management system, which complies with the requirements of the international ISO 50001 standard on energy audits.

## Mandatum Life Vuokratontit I Ky

Mandatum Life Vuokratontit I Ky is a portfolio in the form of a limited partnership managed by Mandatum Asset Management that has been in operation since 2017. The portfolio has invested in land intended for residential construction in Finnish growth centres. Most of the portfolio's plots are located in Oulu, Tampere, and the Helsinki Metropolitan Area. The portfolio contains 37 plots, all of which are rented with long-term land leases to housing companies. With the exception of two plots, all contain buildings. In these two undeveloped plots, projects have either started or will start in the course of 2026. No sustainability characteristics or sustainable investment objectives have been defined for the investment basket investing in the real estate portfolio, and thus the investment basket applies the minimum disclosure requirements under SFDR Article 6.

The portfolio's assets are located in growth centres in areas where efforts have been made to ensure access to services by walking, cycling, and public transport. More than half of the plots in the portfolio have a good level of walkability, and some daily errands can be done on foot. The accessibility of public transportation was assessed using a scoring method based on the distance to the nearest stop (maximum 500 metres) and peak hour intervals (maximum 10 minutes). Of the properties in the portfolio, 94 per cent meet these scoring criteria.

A rental plot offers developers a flexible and cost-effective option for project implementation. By offering rental plots, the portfolio facilitates affordable construction and access to homes, especially in the Helsinki Metropolitan Area and growth centres around the country.

The terms of the portfolio's land lease agreements are transparent, and the majority of the plots offer the tenant the right to redeem the plot on clear terms. Many tenants, i.e. housing companies, have the right to purchase the plot at any time during the lease at clear, predetermined prices. In 2025, one of the portfolio's tenants decided to exercise this right and purchased the plot for themselves. Over the years, many of the portfolio's original tenants have also exercised their right to purchase.

The value-weighted average energy class of the residential properties built

on the portfolio's plots is C. Approximately 91 per cent of the residential buildings represent energy classes B–C, and the remaining nine per cent are in energy classes D or E. Wood construction and renewable energy production are utilised in some of the residential buildings.

In 2025, a large-scale environmental risk assessment using public data sources was also carried out for Vuokratontit I, resulting in a comprehensive Environmental Due Diligence (EDD) report. The data collection and report preparation were carried out using Mandatum's internal resources, and the aim was to form an understanding of the various environmental risks associated with all the portfolio's plots, such as flood, radon, groundwater, and soil risks. The EDD assessment did not identify any high-risk sites in any of the examined categories. For five plots, low-risk findings were identified, mainly relating to their location in flood or radon areas.

<b>Mandatum Life Vuokratontit I Ky</b>	
GAV as of 31 December 2025 (MEUR)	38.1
Number of properties	37
Number of lease agreements	37
Amount of building rights (k-m <sup>2</sup> )	98,400
SFDR	Article 6

## MAM European Real Estate investment programme

Since 2017, Mandatum's active indirect real estate fund investment strategy, the MAM European Real Estate (ERE) programme, has invested in the European real estate market with an emphasis on active value creation. Sustainability perspectives have been considered from an early stage as part of the programme's planning. For example, in the first vintage of the programme, good governance among managers and the existence of a Code of Ethics and responsible investment policy were emphasised. Since the programme's inception, the consideration of sustainability factors has been sought through bilateral side letters within all real estate equity investments.

Since its second vintage, the MAM ERE programme has been carrying out more systematic and quantitative monitoring. Mandatum encourages the managers to participate in GRESB's annual sustainability assessment for the real estate investments they manage. Every manager in the MAM ERE investment programme is asked to take Mandatum Asset Management's annual ESG questionnaire. The results of the questionnaire and performance compared to previous years are analysed and shared with the managers who participate in the questionnaire. In addition, they are offered the opportunity for a one-on-one review of the results. The response activity of the MAM ERE investment programme's managers has been very high, and they have also found the feedback they received to be useful and informative.

Mandatum Asset Management has worked with its anchor investor, the Church Pension Fund, to develop its own sustainability analysis for the selection of fund managers and funds. The analysis comprehensively assesses how a potential investment object takes sustainability aspects into account and whether the investment meets Mandatum's requirements concerning the principles of responsible investment. Attention is paid, among other things, to the fund manager's responsible investment policy, reporting practices, membership or representation in responsible investment organisations, as well as competence in and allocation of resources to the management of sustainability factors. In 2025, the selection methodology for the funds' sustainability analysis was made more comprehensive and clearer by better addressing the different aspects of sustainability in potential investment objects.

With the introduction of the SFDR regulation, the most recent vintages of the MAM ERE investment programme, the MAM European Real Estate III and IV, are investment products in accordance with SFDR Article 8 promoting environmental or social characteristics or a combination of these. In order for a fund to be approved for the MAM ERE investment programme, at least two of the following conditions must be met:

- the fund manager is a signatory to the UN Principles for Responsible Investment (UN PRI)
- the fund promotes environmental and/or social characteristics or makes sustainable investments in accordance with Articles 8 or 9 of the SFDR
- at a minimum, the fund manager complies in the fund's investment activities with the exclusion criteria set out in Mandatum's Responsible Investment Policy at the time of investment or commits, through a bilateral side letter, to exclude sectors with a high sustainability risk from Mandatum's allocation in accordance with Mandatum's Responsible Investment Policy.

<b>European Real Estate</b>	
Investment commitments in total (MEUR)	394
Number of investments	38
Number of investment properties	1,000+
SFDR	Article 8 <sup>1</sup>

1) Applies to vintages starting after the entry into force of the SFDR

The Mandatum AM European Real Estate IV aims to invest more than 70 per cent of its assets in properties which are to be made into so-called green buildings.<sup>1</sup> For the MAM ERE III, the corresponding target figure was 50 per cent. At the end of 2025, the share of green buildings was 68 per cent based on the funds that had reported, and the share is expected to continue increasing as monitoring develops, since 67 per cent of the funds had reported their green building allocations from invested assets at the end of 2025. The share of green buildings in the MAM ERE investment programme is aimed to be raised as high as possible.

	MAM ERE I	MAM ERE II	MAM ERE III	MAM ERE IV
Number of investments	13	15	15	5
Manager has a Code of Conduct and Code of Ethics	100%	100%	100%	100%
Manager has a responsible investment policy	100%	100%	100%	100%
Manager considers sustainability factors in investment activities	100%	100%	100%	100%
Manager has appointed responsible investment resources	80%	85%	91%	100%
Manager has signed the UN PRI	90%	92%	100%	100%
Manager participates in GRESB for ERE investments <sup>2</sup>	62%	67%	73%	60%

1) In general, green buildings refer to environmentally certified properties; in other words, properties that have passed the objective criteria of an independent certification body. The most commonly used certificates may vary depending on the country and real estate sector, which makes it impractical to require a certificate issued by any single named certification body in order for a property to be considered a green building. However, the most well-known and commonly used environmental certificates on the market assess buildings based on the same principles, i.e. the quantification of the sustainability, energy efficiency, and total carbon footprint of the building. In some cases, the definition of a green building can be based on the energy performance indicator from the energy performance certificate (EPC) assessment, which is already mandatory in most European countries. If the property meets certain minimum requirements, such as those for the EPC B energy usage, the building can be considered a green building despite the lack of certification. Also, in certain cases, a property that meets specific requirements can be considered a green building. The share of green buildings in the portfolio is monitored through environmental certificates, EPC assessments, and other specific requirements.

2) At the time of investment, negotiations regarding the manager's participation in GRESB are held. The figure also includes investments for which the manager has committed to reporting to GRESB, but considering the stage of the investment strategy, reporting will not begin until later.

## MAM Property III

The MAM Property III invests in grocery retail properties located in Finland. The underlying assets within the strategy are held via a limited partnership managed by an external general partner. No sustainability characteristics to be promoted or a sustainable investment objective have been defined for the investment basket<sup>1</sup>; instead, sustainability risks and factors are taken into consideration as part of active real estate management. Mandatum has begun mapping the sustainability work of the underlying asset during the current year, with the aim of redefining the sustainability strategy for the assets and the portfolio, including targets and an action plan.

## Sustainability in the premises used by Mandatum

Mandatum is a tenant in properties where the company has its own offices. The company has 11 offices in Finland, one in Sweden, and one in Luxembourg. Promoting sustainability at the offices is based on Mandatum's Sustainability Strategy and cooperation with the landlords.

In accordance with its Sustainability Strategy, Mandatum is committed to supporting the goal of net-zero emissions by 2050 in its own operations. In 2025, the company set an interim target for reducing the emissions from its own operations. The target is to reduce Scope 1 and Scope 2 emissions by 42 per cent by 2030 (compared to the 2024 baseline). The target related to own operations covers all Mandatum offices and takes into account market-based Scope 2 emissions.

Scope 2 emissions from own operations are generated from the offices' purchased energy. Mandatum works together with its landlords to ensure that renewable electricity contracts are upheld for the offices. The company also seeks to promote the use of renewable heating at its offices and utilise Guarantees of Origin for district heating to ensure that an amount of renewable heat corresponding to Mandatum's consumption is produced.

In 2025, market-based Scope 2 emissions decreased by 98 per cent compared to the previous year. The significant reduction in Scope 2 emissions is the result of Mandatum's purchase of Guarantees of Origin for district heating for nine of its offices for the first time, covering the heat consumption of the company's leased premises. In addition, five properties either had energy contracts for renewable district heating or Guarantees of Origin for district heating provided by the property owner. Most of the company's offices used renewable electricity during the year.

Mandatum's head office in Helsinki has been awarded the BREEAM In-use certificate 'Good' for its environmental performance. In 2025, the installation of an air source heat pump and air-tightness measurements conducted in the buildings raised the property's energy efficiency class to C. Measures were

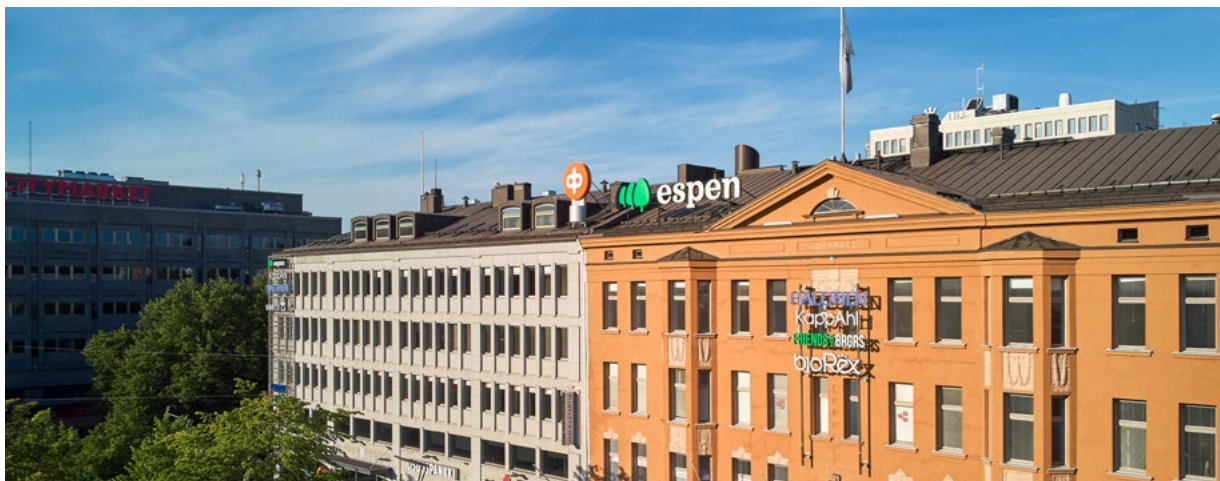
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1) The MAM Property III is a SFDR Article 6 product.

also taken to adjust the flow rates of water fixtures to regulate water usage.

In 2025, the recycling options at the head office were improved in order to reduce the amount of mixed waste. In its internal events, Mandatum actively strives to reduce waste and favours local suppliers and producers. Food waste in catering was measured throughout the year, and efforts will be made to further reduce the amount of waste.

Various internal events were held at the offices during the year, such as Safety Week, which aims to strengthen the occupational safety culture.



# RESPONSIBLE REAL ESTATE INVESTMENT IN 2025

## Implementation of sustainability focus areas

### Promoting carbon neutrality and energy efficiency

Direct real estate investment portfolios managed by Mandatum seek to achieve net-zero emissions according to the strategy of the respective portfolios by no later than 2030. In 2025, the sustainability targets for direct real estate investments were promoted through several mutually supportive measures. The Special Investment Fund Finland Properties II was among the first to sign the Energy Efficiency Agreement for Commercial Properties (TETS). The new ten-year agreement period begins in 2026, and the fund is committed to reducing its energy consumption by 10 per cent by 2035. During the current agreement period, the fund has achieved a significant 26.2 per cent reduction in calculated energy consumption thanks to active energy management and energy efficiency investments. In addition to the targets set under the TETS agreement, all direct real estate investment portfolios managed by Mandatum have energy and water reduction targets based on specific consumption, which are actively monitored and managed.

### Monitoring of recycling rates

Efforts are systematically made to improve the recycling rate in all direct real estate investment portfolios. To support this, a real-time recycling rate monitoring and management service was implemented in all portfolios in 2025, improving recycling guidance and enabling continuous optimisation of the recycling rate. The service is operator-independent, which allows for property-specific recycling partners and encourages the utilisation of local solutions.

Mandatum's investment properties fell short of the 55 per cent recycling rate target in 2025, with rates of 49 per cent for commercial properties and 42 per cent for residential properties. The situation and development measures are monitored in close cooperation with partners. An external expert has prepared waste management plans for the properties, and sorting surveys have been conducted for the tenants of the housing companies. The systematic improvement of the recycling rate continues in 2026. The Special Investment Fund Finland Properties II achieved a recycling rate of 62 per cent in 2025.

### **Targets and requirements for construction projects**

For Mandatum's construction projects, targets and requirements have been set for climate change mitigation, environmental certifications, circular economy, sustainable construction, sustainable mobility, and biodiversity. The projects aim for a recycling rate of at least 70 per cent for demolition and construction waste.

#### **CASE**

#### **AUTOMATED RECYCLING MONITORING TAKES THE RECYCLING RATE TO A NEW LEVEL IN A PILOT PROJECT**

In 2025, automated monitoring of the recycling rate was piloted in connection with a lighting project in Seinäjoki, Finland. In the project, a 100 per cent recovery rate and a 97 per cent recycling rate were achieved.

In the pilot, sustainability requirements were presented to contractors already during the tendering phase, based on which the contractor collaborated with a waste management expert to develop solutions for measuring and improving the recycling rate. As a key measure, a digital waste reporting service was implemented, allowing more systematic monitoring and analysis of the project's waste streams than before. In addition, sorting practices, such as separate collection for clear plastic, were developed at the work site.

The project also promoted circular economy by enabling the building's users to reuse old light fixtures; as a result, 28 fixtures were directly repurposed. A key factor in the pilot's success was the client's active role and clear requirements, which encouraged both the contractor and supervision to develop their practices. For the contractor, the project served as a pilot site, offering lessons that can be used in future projects both to develop recycling and to better incorporate sustainability criteria during the tendering phase.

### **Assessment of climate risks was updated**

As part of the risk management for direct real estate investments, a climate risk assessment was conducted for the portfolios in 2022 by an external expert, covering both physical and transition risks. The assessment was prepared in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and is based on the Intergovernmental Panel on Climate Change's (IPCC) RCP 2.6 and 8.5 scenarios, among others. The assessment also utilised the Carbon Risk Real Estate Monitor (CRREM) tool, which analyses the performance of real estate investments in relation to the 1.5-degree emission target aligned with the Paris Agreement.

The climate risk assessment prepared in 2022 was updated in 2025. The update re-examined the physical and transition risks, took into account key legislative changes, and supplemented the description of risk management to correspond to the current operating environment.

### **Portfolio certification rates on the rise**

In 2025, the certification rates of the portfolios were improved compared to the previous year. Three previously uncertified properties in the Special Investment Fund Finland Properties II achieved the BREEAM In-use 'Very Good' certification. The certification rate of the investment portfolio's real estate assets under management is 74 per cent. The BREEAM In-use 'Very Good' certification was achieved for four previously uncertified properties in the direct real estate investment portfolio on Mandatum's own balance sheet. The certification rate of the portfolio was 65 per cent.

### **Biodiversity as a key aspect of real estate investment**

Maintaining and promoting biodiversity where possible has been identified as a key aspect of responsible real estate investment. In 2025, Mandatum conducted a biodiversity assessment in three of its direct real estate investments in Helsinki, Järvenpää, and Turku, in Finland. The assessment aimed to identify concrete and effective biodiversity-enhancing measures that can be applied to various properties as part of asset management, renovation, or development projects.

For the assessment, an ecologist visited the properties to map the current biodiversity values and devise the most effective and feasible property-specific recommendations to increase biodiversity. The recommended measures included, e.g. creating meadows, building green roofs and walls, planting native species, and combatting alien species. In addition, potential environmental risks were assessed using WWF's Biodiversity Risk Filter.

Based on the assessment, several opportunities were identified in each of the properties to improve biodiversity values. The effectiveness of the measures was assessed using the Biodiversity Metric tool, and the recommendations were tailored to accommodate the conditions and feasibility in each property. The project showed that the assessment of biodiversity values, risk anal-

ysis, and tailored measures can significantly contribute to improving biodiversity in urban real estate. The proposed improvements have been reviewed together with the managers and integrated into daily operations as well as the 2026 action plans.

### **Tenant satisfaction at the heart of social responsibility**

For Mandatum, key aspects of social responsibility are tenant satisfaction, asset management, effective communication, and the health, safety, and accessibility of the premises. Tenant satisfaction in the portfolios is assessed annually. Regular surveys are used to monitor tenants' experiences and identify areas for improvement in the properties' operations and services. In residential properties, tenant satisfaction is assessed annually as well as separately in connection with the move-in and move-out stages.

In 2025, the shopping centre Espen in Vaasa, managed by the Special Investment Fund Finland Properties II, once again achieved the highest tenant satisfaction in Finland in KTI Finland's annual tenant satisfaction survey for shopping centres. Espen improved its results in all areas assessed, with shopping centre management and building maintenance services in particular ranking at the top of the comparison. The fund aims at an overall satisfaction score of over 4/5, and the result for 2025 was 4.01. The highest scores were given for lease management, as well as for manager cooperation and accessibility.

### **Success in the PRI assessment**

Direct and indirect real estate managed by Mandatum again achieved the highest star rating in the 2025 UN Principles for Responsible Investment (UN PRI) assessment.<sup>1</sup> The assessment covers the 2024 reporting year. The result highlights the company's strong commitment to sustainable and responsible investment.

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1) [PRI Assessment Report](#) and [PRI Public Transparency Report](#)

**CASE****MONTHLY CHANGING SECURITY AND SAFETY THEMES -  
WILLA SHOPPING CENTRE IN HYVINKÄÄ**

The importance of security in shopping centres has increased in recent years. A more diverse operating environment, increased visitor numbers, and evolving security concerns, such as disruptive behaviour and cybersecurity threats, have increased the need for enhanced security management and emergency preparedness. In tenant satisfaction surveys conducted in 2025, the importance of security-related factors was emphasised more than before, reflecting tenants' growing expectations for a safe and predictable operating environment.

Mandatum develops the safety and security of its properties systematically and in collaboration with various stakeholders. Key priorities of these efforts include proactive risk management, enhancing the knowledge of personnel and tenants, and reinforcing a strong safety culture in day-to-day property management.

At the shopping centre Willa, managed by the Special Investment Fund Finland Properties II, safety is promoted through regular training, monthly briefings, and proactive safety and security work in support of the tenants. Safety measures include, among other things, evacuation drills, incident management, first aid preparedness, and cooperation with authorities and security services.

A topical safety theme is featured every month in the shopping centre, with the purpose of creating a shared and continuous operating model for fostering safety in the daily life of the tenant community. The themes cover, for example, electrical and fire safety, evacuation safety, recognising threats, and everyday safety practices. Communication is carried out via email and the intranet to ensure that information is easily accessible and usable.

The operating model strengthens the property's safety and security culture and sustainability profile, engages tenants in shared safety goals, and improves readiness to anticipate risks and reduce incidents. The development of safety and security is continuous, and its effectiveness is monitored as part of the operational management of properties and stakeholder feedback.

Special Investment Fund Mandatum AM Finland Properties II	2025	2024	2023
GRESB stars	5	5	4
Properties	41	41	42
Gross leasable area	361,000	357,000	370,000
Number of tenants (end of year)	900+	931	922
Waste recycling rate	64%	66%	47%
Waste amount, tonnes	3,238	3,201	1,927
Waste amount, kg/m <sup>2</sup>	7.2	7.2	4.2
Coverage of waste data	96%	90%	79%
GHG emissions, tCO <sub>2</sub> e <sup>1</sup>	625	1,114	1,466
<i>Scope 1 CO<sub>2</sub> emissions</i>	263	489	413
<i>Scope 2 CO<sub>2</sub> emissions (market based)</i>	92	170	681
<i>Scope 3 CO<sub>2</sub> emissions</i>	270	455	372
CO <sub>2</sub> emissions, tonnes/MEUR	1.7	3.0	3.9
CO <sub>2</sub> emissions, CO <sub>2</sub> e/m <sup>2</sup>	2	3	4
Energy consumption, MWh <sup>2</sup>	78,147	84,281	86,781
Energy consumption kWh/m <sup>2</sup>	173	189	191
Water consumption, m <sup>3</sup>	95,469	89,638	100,304
Water consumption m <sup>3</sup> /m <sup>2</sup>	0.21	0.20	0.22
Coverage of water consumption data	99%	99%	99%
Environmental certificates	18	13	10
Environmental certification rate (% of market value)	74%	62%	57%
Environmental certification rate (% of gross leasable area)	68%	52%	43%
Share of renewable or zero-carbon electricity	100%	100%	100%
Share of renewable district heating	100%	100%	74%

1) The CO<sub>2</sub> emission calculation covers Scope 1, Scope 2, and Scope 3 emissions. One of the most widely used GHG emission reduction frameworks is the global Greenhouse Gas Protocol standard, which categorises companies' emission sources into three categories: Scope 1, Scope 2, and Scope 3. Scope 1 covers direct emissions from the organisation's own energy production and own and managed buildings and vehicles. Scope 2 includes indirect emissions from purchased energy such as electricity, heating, and cooling. Scope 2 emissions are calculated using the market-based method that takes into account purchased renewable energy. Scope 3 includes emissions from the end use of sold products and the purchase of goods and services; in other words, all value chain emissions. Emissions are measured in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

2) Total energy consumption consists of three components: electricity, heating, and cooling. The electricity used by buildings is supplied from the grid or generated by solar power plants. Heating includes both district heating purchased from district heating companies and heat energy produced on site. Cooling includes purchased district cooling and on-site cooling energy.

Source: GRESB

<b>Mandatum's directly owned real estate investments<sup>1</sup></b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
GRESB stars	4	4	4
Properties	14	18	19
Gross leasable area	79,000	96,500	96,300
Number of tenants (end of year)	297	449	447
Waste recycling rate	48%	50%	50%
Waste amount, tonnes	304	420	464
Waste amount, kg/m <sup>2</sup>	2.3	3.1	3.1
Coverage of waste data	96%	99%	97%
GHG emissions, tCO <sub>2</sub> e <sup>2</sup>	37	21	158
<i>Scope 1 CO<sub>2</sub> emissions</i>	0	0	0
<i>Scope 2 CO<sub>2</sub> emissions (market based)</i>	19	21	65
<i>Scope 3 CO<sub>2</sub> emissions</i>	18	0	93
CO <sub>2</sub> emissions, tonnes/MEUR	0.5	0.2	1.4
CO <sub>2</sub> emissions, CO <sub>2</sub> e/m <sup>2</sup>	0.3	0.2	2
Energy consumption, MWh <sup>3</sup>	21,220	22,262	24,412
Energy consumption kWh/m <sup>2</sup>	158	166	164
Water consumption, m <sup>3</sup>	33,167	36,367	37,595
Water consumption m <sup>3</sup> /m <sup>2</sup>	0.25	0.27	0.25
Coverage of water consumption data	100%	100%	97%
Environmental certificates	7	9	5
Environmental certification rate (% of market value)	65%	65%	37%
Environmental certification rate (% of gross leasable area)	50%	43%	31%
Share of renewable or zero-carbon electricity	100%	100%	100%
Share of renewable district heating	100%	100%	100%

1) Direct real estate investments on Mandatum Life's own balance sheet

2) The CO<sub>2</sub> emission calculation covers Scope 1, Scope 2, and Scope 3 emissions. One of the most widely used GHG emission reduction frameworks is the global Greenhouse Gas Protocol standard, which categorises companies' emission sources into three categories: Scope 1, Scope 2, and Scope 3. Scope 1 covers direct emissions from the organisation's own energy production and own and managed buildings and vehicles. Scope 2 includes indirect emissions from purchased energy such as electricity, heating, and cooling. Scope 2 emissions are calculated using the market-based method that takes into account purchased renewable energy. Scope 3 includes emissions from the end use of sold products and the purchase of goods and services; in other words, all value chain emissions. Emissions are measured in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

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## GRESB 2025 results

The annual Global Real Estate Sustainability Benchmark (GRESB) assessment examines the sustainability of properties across the entire real estate portfolio. The GRESB assessment covers themes such as energy and water consumption, waste volume, greenhouse gas emissions, risk management, stakeholder engagement, and overall corporate sustainability reporting, principles, and management. GRESB reporting has been carried out since 2019 for Mandatum's direct real estate investments and the Special Investment Fund Finland Properties II, which is managed by Mandatum AM AIFM Ltd. The 2025 GRESB results are based on the company's operations in 2024.

In 2025, the Special Investment Fund Finland Properties II achieved a full five-star rating for the second time in the GRESB assessment and ranked sixth in its peer group. Improvement was seen particularly in the Performance component areas that highlight the fund's actual performance in relation to real estate types and locations.

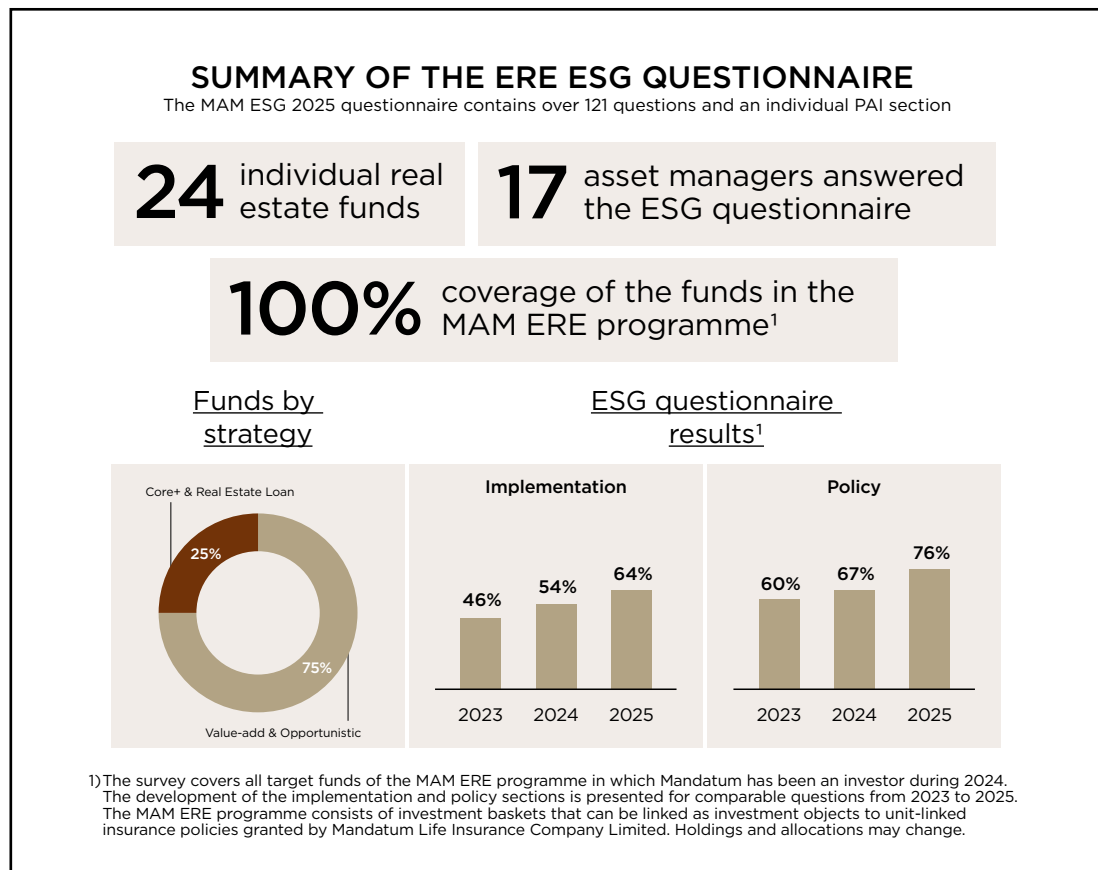
The direct real estate investment portfolio on Mandatum's own balance sheet increased its points and ranked first in its peer group (Diversified - Office/Residential, Northern Europe) while maintaining a four-star rating for the fifth consecutive time. The portfolio's score improved significantly due to the increase in certifications: in 2024, four previously uncertified properties achieved the BREEAM In-use 'Very Good' certification, and by the end of the year, 65 per cent of the managed real estate assets had been certified.

All portfolios managed by Mandatum retained the Green Star designation and received high scores in the Management component (29/30), indicating consistent and goal-oriented management of sustainability.

As part of real estate asset management, Mandatum also manages the real estate portfolio of its client, Kaleva Mutual Insurance Company. Kaleva participated in the GRESB assessment for the second time and raised its rating to four stars. In addition, Kaleva's portfolio came first in its domestic peer group. These results highlight the strong ESG potential of the portfolio and Mandatum's ability to advance responsible investment practices in the management of its clients' wealth.

## Positive development in the ESG actions of real estate funds

All 17 external asset managers of the ERE programme responded to the ESG questionnaire conducted in 2025; Mandatum is an investor in a total of 24 different real estate funds managed by these asset managers.



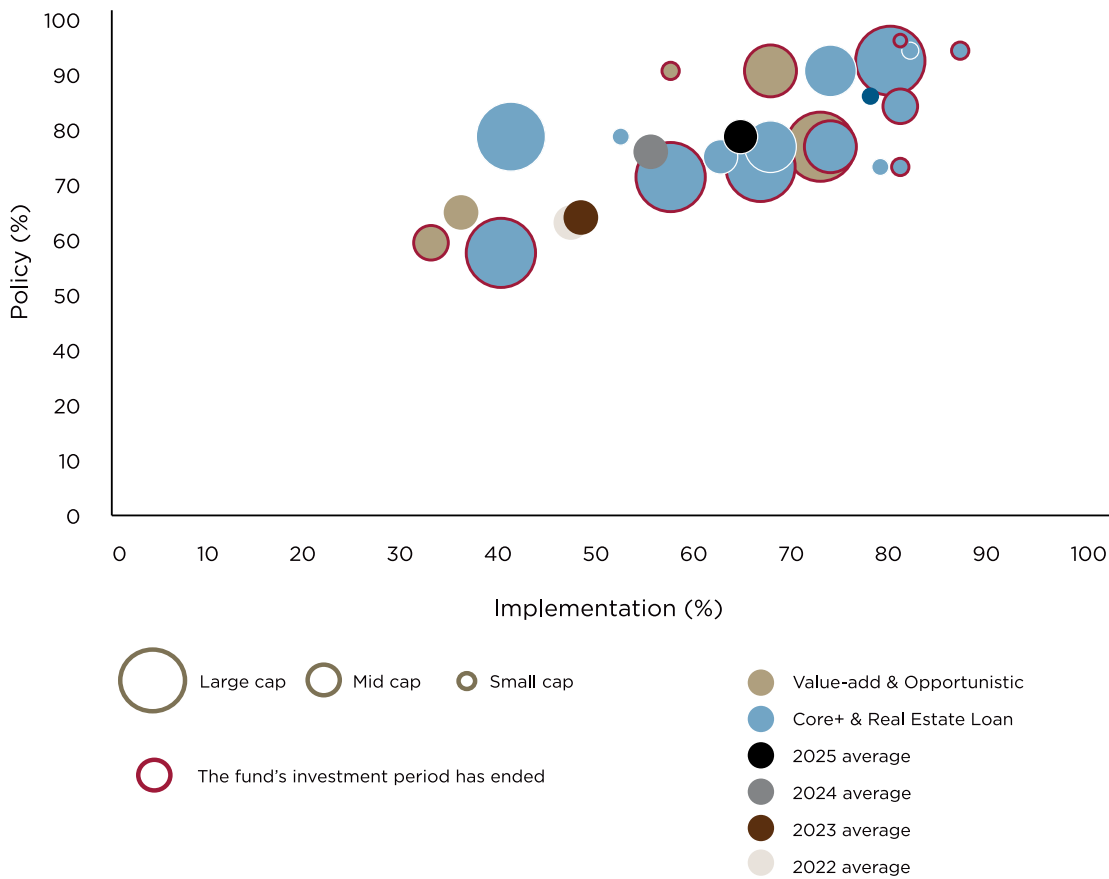
In the questionnaire, each fund is evaluated on two aspects: ESG practices and ESG policy. In the 2025 analysis, ESG practices gained 10 percentage points, and ESG policy gained 9 percentage points. The improvement in points is credited to, among other things, the funds’ enhanced sustainability reporting, and the increase in high-level energy ratings and certifications, and in managers’ climate goals:

- 100 per cent of the funds have integrated ESG factors into their investment processes (2024: 95%)
- 42 per cent of the funds reported on ESG impacts (2024: 30%)
- The energy efficiency of properties has improved: 75 per cent of the funds own properties that have an Energy Performance Certificate (EPC) with an energy efficiency rating of A or B (2024: 61%)
- 92 per cent of the funds take biodiversity into account in their investment activities.

Sustainability-related requirements have become more common in lease agreements and property management, which promotes the implementation of responsibility in property management.

Based on the 2025 responses, the funds' ESG matters have, on average, improved compared to previous years. The results of the questionnaire indicate that there is variation between managers and funds. Sustainability work has become established among managers of all sizes, and larger funds in particular have made relatively more improvements in the past year. It is worth noting that the investment periods of the best-performing funds that responded to the 2025 ESG questionnaire have ended. Funds whose investment period has ended have had more time to develop the fund's investment objects and implement ESG measures, which is reflected in the higher basis points in ESG practices.

**Target funds have developed their sustainability efforts compared to previous years**



*Comparison is for illustrative purposes only. Holdings and allocations subject to change. The characteristics and ESG criteria of the compared target funds may differ from each other.*

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